ORDERS ON CALCULATION OF DUTY AND PENALTY

Heard Counsel for the plaintiff and defendant on calculation of deficit stamp duty on sale agreement dated 25/02/2011. The counsel for the plaintiff submits that he is ready to pay the deficit stamp duty and penalty as determined by this court. Perused the sale agreement dated 25/02/2011, on-going through the recitals it can be seen that the sale agreement is allegedly executed with delivery of possession.

As per class 5(e)(i) of schedule in Karnataka Stamp Act 1957 the stamp duty to be paid as per Article 20 market value of property or on the sale consideration whichever is higher, to ascertain the market value of the schedule property this court has sought report from the Sub Registrar, accordingly the Sub Registrar, Jagaluru had submitted the report stating that as on the date of sale agreement the market value of schedule property is Rs.1800/- per Sq mtr the schedule property is totally measuring 1000 Sq ft which is into 92.9 Sq.mtr totally the market value for schedule property would be Rs.1,67,220/-.

On going through the sale agreement, the total consideration is Rs.4,65,000/- which is greater than market value. The plaintiff supposed to pay stamp duty on such consideration. As per recitals of the sale agreement is executed with delivery of possession. In view of Article 20 of Karnataka Stamp Act on date of execution of sale agreement the stamp duty need to be paid as 6% of market value, Hence the stamp duty on sale agreement would be Rs. 27,900/-.

The alleged sale agreement is executed on two papers of Rs.2/- stamp papers, and also Rs.100/- duty is paid. Hence totally Rs.104/- duty is paid, the remaining deficits stamp duty on the document is Rs.27,796/-, Hence plaintiff is spoused to pay 10 times of deficit stamp duty as penalty on stamp duty. Hence Plaintiff required to pay Rs.3,05,756/- as deficit stamp duty and penalty.

The plaintiff is hereby directed to pay deficit stamp duty and penalty of Rs.3,05,756/-.

Civil Judge & JMFC, Jagalur.